

Wise Words

WE INSURE STATE EQUITY

State of Alabama • Department of Finance • Division of Risk Management

September 2008

PLEASE CIRCULATE

VACANT OR UNOCCUPIED BUILDINGS

All State Insurance Fund (SIF) property policyholders received an endorsement effective November 1, 2007 that addressed loss to vacant and unoccupied buildings. However, since that time, our Claims Department continues to receive claims for damages to buildings that have been vacant or unoccupied for a period exceeding sixty days.

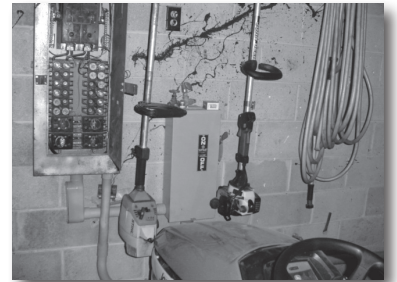
Please remember that no coverage for a scheduled property that is vacant or unoccupied for sixty consecutive days will be provided unless the SIF has been notified and an agreed amount of coverage has been applied to that property, not to exceed salvage value. A school building that is closed during the summer months is not considered vacant or unoccupied for purposes of this endorsement.

A recent large loss that was unfortunately denied involved the following circumstances: A school board leased a school campus that they were no longer using to a community service group. The school board assumed all the buildings were being used by the lessee however one of the buildings remained unoccupied. This particular building had been ransacked over a period of time by thieves and vandals. One recent incident is that the water was turned on in an upstairs restroom and left running for a long period of time. This resulted in damages exceeding \$300,000 to the school board, unfortunately not covered by insurance. The claim was subsequently denied and coverage on this building was immediately reduced to Salvage Value.

A prudent measure for those responsible for insuring property is to carefully check your insurance schedule for buildings that are vacant or unoccupied. Don't assume that because you lease out a group of buildings that they are all being occupied. Make the necessary coverage changes with our Underwriting department.

STORAGE OR LACK OF STORAGE

The past fifteen years I have traveled the state conducting fire and safety inspections as part of my job here at Risk Management. This includes all 67 county schools systems, the majority of the city schools, higher education and other state agencies. One common problem that seems to exist among all occupancies is storage or should I say the lack of storage.



The National Fire Protection Standards require that all boilers, electrical, and mechanical rooms be kept clean and free of all types of flammables. The obvious types of flammables are gasoline and oil based products however this also includes ordinary combustible material such as wood, cloth, paper, rubber and any plastics.



The lack of adequate storage space results in these critical areas being used as storage in some cases therefore creating fire hazards. The individuals responsible for annual budgets should include monies

for the construction of storage space if needed. New construction projects should include adequate storage space which if done on the front end would certainly be cost effective.

Remember that when it comes to housekeeping in these critical areas "common sense" always prevails. For more information, visit us on the web at www.riskmgt.alabama.gov.
Written by Harper Pruett, Loss Control Specialist.

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Department of Finance
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Management
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Director of Finance
James Allen Main

Risk Manager
Ben M. Spillers

We greatly appreciate
the contribution of the follow-
ing individuals to this issue of

Wise Words

Ben M. Spillers
Kim Huggins
Marilyn Tucker
Jerry Carpenter
Dan Burgess
Bob Smith
Sandra Landers
Carol Singletary

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777 South Lawrence St.
Montgomery, Alabama
36130-3250

(334) 223-6120 Phone
(334) 223-6154 Fax

or e-mail:
riskinfo@finance.alabama.gov
or website:
<http://www.riskmgt.alabama.gov>

If you are interested in
receiving this publication via
e-mail, please send your
e-mail address to:
becky.cole@finance.alabama.gov

TIME-SAVING & PRIORITIZING IN THE 21ST CENTURY

How many times have you said to yourself, "If only there were more hours in the day!?" In spite of 20th-century progress with timesaving devices in the home and office, it seems that 24 hours--minus eight or so for sleep--just aren't enough.

Time management is an important skill to learn. To gain more control over your day you must avoid "time traps" that can consume time which should be spent in achieving goals.

Below are some common "time traps" and suggestions for avoiding them:



- 1 Spending a disproportionately high amount of time in the offices where the most congenial people are, as opposed to where the most important issues are.

Decide who is important for you to interact with to meet your goals. Set aside time for socializing (if that is one of your priorities). An awareness of the time spent in socializing can help to allocate time more appropriately.

- 2 Jumping too eagerly into the routine, straightforward work and putting off the more complex and difficult work.

Schedule work that is difficult, complex or that you do not enjoy first, when you are normally your freshest. Eliminating these activities first prevents the mental drain of knowing that those tasks must be tackled.

- 3 Not bothering to make up a schedule for each day or over scheduling--scheduling each day so tightly that it is impossible to stay on track and the schedule quickly becomes meaningless.

Developing a habit of reviewing what needs to be done at the end of each day and planning for the next day allows you to come in prepared to prioritize. A schedule that is realistic, with adequate time allotted for each task and that allows for disruptions, makes the best use of your time. If you find yourself setting unrealistic time frames, begin to chart how long recurring tasks take so that you can refer to your list for future scheduling. Be flexible in your scheduling so that you can accommodate work that takes longer than expected or an unexpected request.

For more information on this topic and other work-life issues, visit the BHS website at www.behavioralhealthsystems.com.

SEICTF - A BENEFIT PROGRAM FOR STATE EMPLOYEES

The State of Alabama and its agencies provide workers' compensation type benefit coverage through the State Employee Injury Compensation Trust Fund (SEICTF). Covered agencies pay premiums based on the dollar amount of payroll, job classification, and the probability of accidents occurring. The premium collected is used to fund the payment of benefits for covered on the job injuries. The cost to State agencies averages about 50% below what the private sector pays for similar workers' compensation coverage.

Accidents occurring during the performance of duties on the job can leave an injured employee in dire financial straits if not covered by adequate insurance.

What does SEICTF provide for you financially?

- 1 Compensation for lost wages. You receive 2/3rds of your biweekly earnings subject to the current maximum amount of \$1,529.67 twice monthly for 500 weeks. Since the 2/3rds results in a break in retirement service, SEICTF adds the employer's portion of retirement and pays it to the injured employee along with the twice monthly compensation amount.
- 2 Medical expenses when using the SEICTF network doctors: all reasonable and necessary medical expenses are covered to include related surgeries and mileage if the trip to the medical provider is beyond a 25 mile radius.
- 3 Vocational rehabilitation, job placement, and compensation for loss of earning capacity if you lose your job due to the covered on the job injury.
- 4 If death results from a covered accident or occupational disease, (a) burial expenses up to \$5,000.00, and (b) compensation, up to the current maximum amount of \$1,529.67 twice monthly, is paid to eligible dependents in accordance with the administrative rules.
- 5 Last but not least, if a dispute arises regarding SEICTF benefits, an injured employee can request a hearing either before an Administrative Law Judge or the SEICTF Review Board.

**These benefits are yours
when you are injured.**

**You should not be hesitant or
have a fear of reprisal if you
file an injury claim.**

**If you have any questions,
please feel free to call SEICTF toll free
1-800-388-3460 for claim inquires,
or 1-800-977-0022 for medical inquiries.**



ARE YOU SAVING 25%?

The Department of Finance, Division of Risk Management's Equipment Maintenance Program continues to save The State of Alabama over 1 million dollars a year by utilizing The Remi Group's Equipment Maintenance Program (EMP). Fiscal Year 2009 will mark the 9th year the State has had the EMP and the savings continues to grow.

In these 9 years the program has seen no cost increase as opposed to usual annual increases seen on vendor maintenance agreements.

The Equipment Maintenance Program provides coverage for corrective and preventive maintenance on all types of electronic equipment and saves you a guaranteed 25% off what you currently pay your vendor for a maintenance contract. You use the vendor of your choice to service your equipment; they bill The Remi Group for the service. You receive the same service but have the freedom to choose which vendor services your equipment and when, have the ability to track all maintenance information on your

equipment via Remi's online website, and pay an annual premium of 25% less than what you previously paid your vendor for a maintenance contract.

The State's EMP can be utilized by all State affiliated Departments and Agencies to include School Systems, Colleges, and Universities. By utilizing the State's EMP you receive the guaranteed 25% savings as well as expanded coverage levels provided under the State Program.

Some types of equipment that can be covered: General Office, IT, Communication, Security, Mailroom, Financial, Laboratory, Ultrasound, Radiology/X-Ray, Nuclear Medicine, Cardiology, Surgery – not listed here, just ask.

Contact The Remi Group today for more information: Nancy Dodd 334-353-8751 or NDodd@theremigroup.com or visit Risk Management's website for additional program information <http://www.riskmgt.alabama.gov/RM/EquipMaint.aspx>.